

Public Safety And Security Committee

Public Hearing Testimony

Thursday, March 4, 2010

H.B. No. 5340 (RAISED) An Act Concerning Prizes For Teacup Raffles

H.B. 5345 (RAISED) An Act Concerning Mailed Raffle Tickets

Testimony submitted by:

Division of Special Revenue

Senator Stillman, Representative Dargan, members of the Public Safety and Security Committee. My name is Paul Young. I am the Executive Director of the Division of Special Revenue, and I am here to address two charitable gaming proposals on your agenda, **Raised Bill No. 5340 'An Act Concerning Prizes For Teacup Raffles'** and **Raised Bill No. 5345 'An Act Concerning Mailed Raffle Tickets'**.

I want to preface my remarks by noting that the Division has worked with your Committee to propose, develop or support legislation helpful to nonprofit organizations conducting charitable games, in order that their fundraising could be more successful – legislation increasing bingo prizes, establishing a special event permit for sealed tickets, authorizing special tuition raffles to benefit the education of our young people, legislation allowing special teacup raffle tickets to facilitate teacup raffle sales, legislation authorizing recreational bingo for parent teacher associations, “blower ball” cash, and, in this session, the proposal to further the use of ‘fifty-fifty’ coupon games. The Division has not been insensitive to the needs of our nonprofits when considering gaming. However, the two proposals before you are problematic and the Division must oppose them.

Bill No. 5340 would allow cash prizes not exceeding one hundred dollars each for a teacup raffle, and would allow unlimited dollar value for merchandise prizes. Under present law, a teacup raffle is a game of chance offered under a bazaar permit, where an organization sells chances on containers or baskets of items of merchandise, each one of which may not exceed one hundred dollars in value. At a designated time during the bazaar, a drawing is held and a winner is selected for each container or basket offered. The containers or baskets are usually displayed for considerable periods of time until a drawing is held. The Division does not believe cash is a suitable prize for a teacup raffle nor would it support an unlimited value on the other prizes. If proponents of this legislation would want to increase the one hundred dollar limit on a teacup raffle container, the Division would be amenable to discussing such a change. We believe, however, that the introduction of cash, and no limit, would pose problems, would not be in keeping with the intent behind teacup raffles, and would be in conflict with other raffle permits. We therefore oppose Raised Bill 5340.

Bill No. 5345 would permit raffle tickets sent in the mail to contain a statement that a person may enter the raffle without paying for the raffle ticket. Use of the mail to transmit raffle tickets is a violation of Federal postal regulations, 601.12.3.2, and the Attorney General’s office has told the Division it has a responsibility to inform our organizations or permittees of that fact, and we do. The Administrative Regulations Governing Bazaars And Raffles also provide, among other things, that a raffle ticket must be sold for a uniform unit price. This bill would create chaos from a financial control perspective. We further believe that once you add the element of not paying for a raffle ticket, the activity becomes like a sweepstake. Since some tickets would be bought, and others not bought, the activity becomes a hybrid, satisfying neither existing charitable gaming laws nor Consumer Protection laws governing sweepstakes. We therefore oppose Raised Bill 5345.